

House File 2196 - Introduced

HOUSE FILE 2196
BY COMMITTEE ON ECONOMIC
GROWTH

(SUCCESSOR TO HSB 504)

A BILL FOR

1 An Act relating to economic development including changes
2 to the administration of certain economic development
3 programs and to the terms served by members of the economic
4 development board and including effective date provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

MISCELLANEOUS PROGRAM CHANGES

Section 1. Section 15.335A, subsection 1, paragraph e, Code Supplement 2009, is amended to read as follows:

e. The number of jobs is sixteen ~~but not more than thirty or~~ more and the amount of the qualifying investment is one of the following:

(1) Less than one hundred thousand dollars, then the tax incentive is the investment tax credit of up to five percent.

(2) At least one hundred thousand dollars but less than five hundred thousand dollars, then the tax incentives are the investment tax credit of up to five percent and the sales tax refund.

(3) At least five hundred thousand dollars, then the tax incentives are the investment tax credit of up to five percent, the sales tax refund, and the additional research and development tax credit.

Sec. 2. Section 15.411, subsection 6, Code Supplement 2009, is amended to read as follows:

6. The department shall, upon board approval, establish and administer a targeted industries internship program for ~~students of Iowa community colleges, private colleges, or institutions of higher learning under the control of the state board of regents~~ Iowa students. For purposes of this subsection, "Iowa student" means a student of an Iowa community college, private college, or institution of higher learning under the control of the state board of regents, or a student who graduated from high school in Iowa but now attends an institution of higher learning outside the state of Iowa. The purpose of the program is to link Iowa students to small and medium sized Iowa firms in the targeted industries through internship opportunities. An Iowa employer may receive financial assistance in an amount of one dollar for every two dollars paid by the employer to an intern. The amount of financial assistance shall not exceed three thousand one

1 hundred dollars for any single internship, or nine thousand
2 three hundred dollars for any single employer. In order to be
3 eligible to receive financial assistance under this subsection,
4 the employer must have five hundred or fewer employees and
5 must be engaged in a targeted industry. The department shall
6 encourage youth who reside in economically distressed areas,
7 youth adjudicated to have committed a delinquent act, and youth
8 transitioning out of foster care to participate in the targeted
9 industries internship program.

10 Sec. 3. Section 15G.111, subsection 5, paragraph c, Code
11 Supplement 2009, is amended to read as follows:

12 c. The state board of regents shall annually prepare a
13 report for submission to the governor, the general assembly,
14 the department, and the legislative services agency regarding
15 the activities, projects, and programs funded with moneys
16 allocated under this subsection. The report shall be provided
17 in an electronic format and shall include a list of metrics and
18 criteria mutually agreed to in advance by the board of regents
19 and the department. The metrics and criteria shall allow the
20 governor's office, the general assembly, and the department
21 to quantify and evaluate the progress of the board of regents
22 institutions with regard to their activities, projects,
23 and programs in the areas of technology commercialization,
24 entrepreneurship, regional development, and market research.

25 Sec. 4. EFFECTIVE UPON ENACTMENT. This division of this
26 Act, being deemed of immediate importance, takes effect upon
27 enactment.

28 DIVISION II

29 ECONOMIC DEVELOPMENT BOARD

30 Sec. 5. Section 15.103, subsection 1, paragraph a, Code
31 Supplement 2009, is amended to read as follows:

32 a. The Iowa economic development board is created,
33 consisting of fifteen voting members appointed by the governor
34 and seven ex officio, nonvoting members. The ex officio,
35 nonvoting members are four legislative members; one president,

1 or the president's designee, of the university of northern
2 Iowa, the university of Iowa, or Iowa state university of
3 science and technology designated by the state board of regents
4 on a rotating basis; and one president, or the president's
5 designee, of a private college or university appointed by the
6 Iowa association of independent colleges and universities;
7 and one superintendent, or the superintendent's designee, of
8 a community college, appointed by the Iowa association of
9 community college presidents. The legislative members are two
10 state senators, one appointed by the president of the senate
11 after consultation with the majority leader of the senate,
12 and one appointed by the minority leader of the senate from
13 their respective parties; and two state representatives, one
14 appointed by the speaker and one appointed by the minority
15 leader of the house of representatives from their respective
16 parties. Not more than eight of the voting members shall
17 be from the same political party. Beginning with the first
18 appointment to the board made after July 1, 2005, at least one
19 voting member shall have been less than thirty years of age
20 at the time of appointment. The governor shall appoint the
21 voting members of the board ~~for a term~~ to staggered terms of
22 four years beginning and ending as provided by section 69.19,
23 subject to confirmation by the senate, and the governor's
24 appointments shall include persons knowledgeable of the various
25 elements of the department's responsibilities.

26 Sec. 6. ECONOMIC DEVELOPMENT BOARD MEMBER TERMS.

27 Notwithstanding the four-year term required by section 15.103
28 for members of the economic development board, and in order to
29 ensure that members of the board serve staggered terms, of the
30 fifteen members initially appointed after the effective date of
31 this Act, the governor shall appoint seven members to terms of
32 two years and eight members to terms of four years.

33 Sec. 7. EFFECTIVE UPON ENACTMENT. This division of this
34 Act, being deemed of immediate importance, takes effect upon
35 enactment.

1 EXPLANATION

2 This bill makes miscellaneous changes to certain economic
3 development programs and staggers the terms served by members
4 of the economic development board.

5 Currently, the tax incentives for the high quality jobs
6 program do not allow incentives for a business creating 31 or
7 more jobs unless that business invests \$10 million or more.
8 The bill adjusts the program's incentive schedule to allow
9 incentives to be provided to businesses investing less than \$10
10 million provided they create at least 16 jobs.

11 The department of economic development currently operates a
12 targeted industries internship program for students attending
13 an institution of higher learning in Iowa. The bill allows
14 students who graduated from an Iowa high school, but now
15 attend an institution of higher learning in another state, to
16 participate in the program.

17 Currently, the board of regents must prepare an annual
18 report for the governor, the general assembly, the department,
19 and the legislative services agency regarding the activities,
20 projects, and programs funded with the \$5 million received
21 by the regents as part of the annual grow Iowa values
22 appropriation. The bill directs the board of regents and the
23 department to mutually agree on certain metrics and criteria
24 for evaluating the success of the activities, projects, and
25 programs funded with those moneys, particularly as they relate
26 to the areas of technology commercialization, entrepreneurship,
27 regional development, and market research.

28 Currently, the economic development board's 15 members
29 appointed by the governor all serve four-year terms that expire
30 on April 30, 2010. The bill provides for the staggering of
31 these terms.

32 The bill takes effect upon enactment.